

Trip Report 0881

**Seminar on Health Care System Reform
Komsomolsk City, Poltava Oblast, Ukraine**

19 May 1997

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Submitted by the *ZdravReform* Program to:
AID/ENI/HR/HP

AID Contract No. CCN-0004-C-00-4023-00
Managed by Abt Associates Inc.
with offices in: Bethesda, Maryland, U.S.A.
Moscow, Russia; Almaty, Kazakhstan; Kiev, Ukraine

22 May 1997

The resolution

of the seminar-conference for the heads of the social medicine chairs and health care organization
*"Theory and practice of medical insurance,
personnel provision"*
Odessa 27-28 April 1997.

The participants of the seminar-conference are extremely perturbed with the negative tendencies in the health condition of Ukraine. The dynamics of the medical and demographic process and the range of disadaptation reached the level, which is of the great danger to the economical safety of the country and nation itself.

The ground social, economical and political reconstruction in the country touched the problem of health care to the least extent possible. While cutting the volume of state financing of this branch (for the period of the last seven years by three times), the state, as the guarantor of the people's right for health care, did not provide the involving of out-of-budget sources of financing and transferred all the responsibility for critical situation in health care system to people.

This condition is influenced by the considerable structural disproportion, being created in times of the Soviet power, they make the limited resources of the branch less effective. If to check the indices of the branch and the volume of financing, the possibility of solving the problems by means of the administrative actions seems doubtful (besides, the volumes of state obligations to provide the population with medical care is not altered).

Recognizing the necessity of health care reformation and adaptation of this branch to function in conditions of the market economy, it is very important to foresee the necessary alterations in the system of qualification and requalification of the personnel, who will be able to provide the reformation and functioning of the branch in new economical conditions.

Proceeding from the mentioned above, the participants of the seminar-conference

support

the draft law "On social medical insurance ", made on the initiative of the Ministry of Health of Ukraine, and **call** the Deputies of Supreme Soviet of Ukraine

1. To realize, that contribution in health care - is the contribution in future of the country and simultaneously the term of decrease of the political tension.
2. To **adopt** urgently the law " On social medical insurance " in order to prevent the further crisis tendencies in health care and to make medical care more effective and accessible.
3. To define the level of guarantees (obligations) of the state to provide the population with medical care. To introduce the taxation of all kinds of revenue to health care system on privilege terms.

Appeal

To Ministry of Health with propositions:

1. To speed up the preparations of the normative and legal base to reform the branch.
2. To define the professions, necessary for health protection in the conditions of the insurance medicine - financing managers, analyst experts, heads of the insurance funds in particular.
3. To check the necessity of attachment of the "health care manager and financial manager" profession to the classifier of treatment and preventive facilities - doctors and nursing personnel.
4. To work out and implement the program of health care managers training, using the personnel potential of social medicine chairs. It will be done in a way of temporary working groups for development of the corresponding training courses, models and training cycles.
5. To place the order of these experts training in the corresponding educational establishments of Ukraine.
6. To organize in 1998 the seminar with the assistance of the Program ZdravReform. The major task of the seminar will be health care managers training with international participation (East European countries, Russia, countries of European commonwealth...)
7. To apply to Abt Associates and USAID with the aim of prolonging the number of seminars dedicated to the study of medical insurance models, principles and new training methods in social medicine teaching.

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1.0 EXECUTIVE SUMMARY

The seminar Health Care System Reform, held on 19 May 1997, was the first visit of the *ZdravReform* Program to the town of Komsomolsk in Poltava Oblast. The seminar was led by *ZdravReform*/Ukraine country director James Owens, *ZdravReform*/Kiev technical consultant Zhanna Parhomenko and interpreter Ruslan Gorbluk and attended by 64 health care administrators, economists and physician/managers from throughout the oblast.

The initiative for the seminar came from the city administration and local health care leaders, some of whom had attended the *ZdravReform* Regional Conference in Dnepropetrovsk in late 1996 and wanted to give their oblast colleagues exposure to the ideas for change discussed there.

The seminar was timely in that it addressed issues raised in a March 1997 City Council resolution, "The concept of providing the citizens of Komsomolsk with medical care and rationalization of the health care system in the period of economical crisis." This document was notable for its progressive, reform spirit.

Though not specifically in the *ZdravReform* workplan, participation in the seminar fit the Program goal to "roll out" reforms that have been implemented in *ZdravReform* pilot sites. The seminar also was significant in that:

- the regional level (small cities and towns, and rural rayons) of the health care system was represented; and
- it was initiated, organized and funded by regional health care reformers.

Sessions covered topics such as health care finance reform, the importance of primary and preventive health care, facility restructure and management autonomy. Participants held spirited discussion on those and other issues, such as the need for health care reform legislation. At the end, participants expressed interest in continued work with *ZdravReform*.

2.0 BACKGROUND AND SEMINAR PREPARATION

The town of Komsomolsk was founded in 1960 to serve the needs of the mining industry. The current population is 53,000. Its economic sector is based on enterprises related to mining, construction, textile and food production, and on agriculture. Its network of medical treatment and preventive health care consists of two hospitals (more than 500 beds), a sanatorium and a rehabilitation center for the disabled.

In a move toward reform, a number of measures have been proposed by the Komsomolsk City Council executive committee. The first action to be taken is reorganization of the central city hospital and the creation of five Treatment and Preventive Facilities which are granted legal status. The principal aim of the facilities is to deliver health care service of better quality. In addition to state funding, they will be financed by off-budget funds.

The committee's cooperation with *ZdravReform* developed in the following way:

- Representatives from Komsomolsk took part in a *ZdravReform* regional conference held in Dnepropetrovsk in December 1996.
- Afterwards, they made several requests to *ZdravReform* for support in their work on reform of the regional health care system. In February 1997, they received a considerable quantity of informational materials from the *ZdravReform* library.
- Olexander Tretjakov, chief of the Komsomolsk investment programs department, participated in the training tour of *ZdravReform* pilot demonstrative areas in Odessa on 12-13 March 1997, in order to learn from the experience of these facilities and to establish connections for further cooperation with these facilities and with other participants on the tour. (To this latter end, he visited the family medicine clinic of Dr. A.Gajduc, in Dnepropetrovsk.)
- After extensive correspondence between *ZdravReform* and O. Popov, the mayor of Komsomolsk, Tretjakov and the mayor's deputy for health care, V.Mulkov, visited *ZdravReform/Ukraine* director James Owens in Kiev on 12 April. They requested Program participation in a seminar to be held in Komsomolsk, similar to the one in Dnepropetrovsk; that is, a seminar dealing with questions about reform of the health care system in Ukraine and methodological approaches for its realization.
- On 7 May 1997, Popov and Tretjakov were received by the first deputy Minister of Health Valery O. Sjomin. They discussed seminar organization and the general policy of regional health care reformation. The same delegation visited the *ZdravReform* Program to further discuss the seminar agenda, and set the date for 19 May 1997.

Fifty people were invited to the seminar. They were: the heads of the Poltava oblast health committee, heads of district health care systems, chief physicians and economists from central hospitals and department heads departments from medical facilities in the towns of Komsomolsk, Kremenchug and other nearby regions. The seminar was open to the representatives of the local and oblast press and television. Both media reported on the seminar (see Appendix 3).

The seminar program was suggested by the Komsomolsk administration and coordinated with *ZdravReform*'s Owens and Parhomenko. It was delivered to participants before the seminar began. Participants also received *ZdravReform* reports and other information materials on topics relevant to seminar topics. (See Appendix 1 for list of materials.) Post-seminar evaluations confirmed that dissemination of such information encourages health care leaders to initiate their own reform activities and to cooperate with *ZdravReform*.

3.0 THE PROGRAM OF THE SEMINAR

Komsomolsk Mayor Popov and *ZdravReform*'s Owens opened the seminar. Owens and Parhomenko then made the following presentations (a full agenda is in Appendix 2):

ZdravReform technical assistance activities in Ukraine	James Owens
Additional sources of financing	Zhanna Parhomenko
The experience of primary health care reform. The economics of high quality health care delivery and redistribution of financial funds. Foreign and national experience.	Owens Parhomenko
Decentralization of health care management. New approaches in resource distribution.	Owens
The change in the attitude of health care experts to reform.	Owens Parhomenko

4.0 ANALYSIS OF PRESENTATIONS AND DISCUSSIONS

Sixty-four persons, from 10 towns and cities in the oblast, attended the seminar. (See Appendix 4 for a complete list.) The geographic breakdown was as follows:

- 8 persons from Poltava (oblast center);
- 10 - from Kremenchug;
- 2 - from Mirgorod;
- 2 - from Dikanky;
- 2 - from Kobeljaky;
- 6 - from Shyshaky;
- 1 - from Kozelchina;
- 2 - from Chutovo;
- 7 - from Dneprodzrzhynsk;
- 24 - from Komsomolsk.

The professional background of participants was as follows:

- 14 (22 percent) - health care system administrators,
- 14 (22 percent) - economists and bookkeepers,
- 36 (56 percent) - chief physicians, their deputies and department heads.

In his opening remarks, Mayor Popov stressed the need to take radical decisions to stabilize the health care system in the town and region. He called for improvement in the quality of medical care delivery for low-income people. The health administration will support attempts to introduce new approaches to resolve urgent health care problems, such as off-budget funding and preferred rates of taxation for members of "privileged" groups (Chernobyl victims, expectant mothers, pensioners, etc.).

Owens expressed his gratitude for having been invited and pointed out the significance of this seminar to activity of *ZdravReform* Program. He expressed approval for the first steps that the Komsomolsk administration had made on their way to reform.

After describing all the principal tasks of *ZdravReform* technical assistance to the health care system in Ukraine on the national and local levels, Owens introduced the audience to general approaches to resolving financial problems.

Parhomenko explained approaches to the implementation of paid services, as potential additional source of financing. She spoke about the possible problems associated with the introduction of paid services, especially in the budget of Treatment and Prevention Facilities. She reviewed the list of paid services, adopted by the Cabinet of Ministers, and the priority in which the payments would be implemented. She enumerated ways to utilize funds earned from paid services and stressed the need to define categories of “privileged” patients, who are eligible for lower rates of payment. As examples, she described the experiences of facilities in L’viv, Odessa, Dneprodzerzhinsk and Dnepropetrovsk.

Health care economists in attendance pointed out the inconsistencies of Ministry of Health regulations concerning the pricing of medical services. The ability and readiness of patients to pay for medical services was discussed as well. The participants were very surprised by the experience of Odessa’s self-financed polyclinic and Family Health Center, also self-financed. These facilities receive no government funding, yet they are able not only to promptly pay taxes but to develop and expand their activities. As far as taxes are concerned, the Mayor Popov pointed out that Komsomolsk medical facilities have been made tax free. Also discussed was the example of L’viv City Hospital No. 1, which is developing a roster of paid services in addition to being funded by the state budget.

The following session addressed budget distribution and funding of Treatment and Preventive Facilities. Owens’ presentation on financial management was accompanied by simple and specific examples from real experience. While local health care administrators were interested, their discussion demonstrated their uncertainty about radical changes in budget distribution among primary health care providers, polyclinics, hospitals and paraclinics. The audience voiced concern about the examples of efficiency, economics, as well the emphasis on preventive measures and healthy lifestyle.

Owens went on to give examples of the world experience and Parhomenko supplemented them with examples of Ukrainian perceptions of the situation and national experience in health care reform.

The audience criticized the detrimental effect of social and political instability in the health care system, especially its hindering the passage of reform legislation. The participants also compared health care financing in Ukraine and in other European countries. They agreed that opportunities for improvement and development will always exist irrespective of funding levels. The

examples of successful national and international reform, as well as the analysis of mistakes to avoid, encouraged the health care reformers in attendance.

In his final remarks, Owens pointed to the signs of optimism evident among health care leaders. re actions and steps toward reform. Crisis aggravates negative tendencies. But in this time of transition, new opportunities for creativity will produce optimism.

One of the most important benefits of seminars and conferences is the informal contacts among participants during the breaks and discussions. Such contact among the leaders of reform allows them to validate the reforms they have implemented; support from colleagues gives them encouragement. Establishing relationships with other participants also builds a foundation for future cooperation.

At the end of the seminar Mayor Popov thanked the *ZdravReform* Program for its printed materials, its presentations and its cooperation in discussing the problems of health care system reform. He expressed hope for future cooperation. Investment programs director Tretjakov, who had cooperated closely with *ZdravReform*, also thanked the Program and assured everyone of desire of the experts of his region to reform health care, using the experience of Ukraine and the West. He hopes to resolve the health care crisis and, with *ZdravReform* assistance, to develop the regional system of health care.

Informal discussions continued after the formal seminar concluded.

5.0 ANALYSIS OF EVALUATION QUESTIONNAIRES

Fifty questionnaires were prepared, based on the number of expected participants. After the seminar, 35 completed questionnaires (70 percent) were collected. Analysis of participant responses led to the following conclusions:

1. Participants gave the significance and importance of the seminar the highest mark: 5.
2. Information disseminated: 5; potential for implementation of the information: 4.5.
3. All respondents (100 percent) agreed with the approaches proposed to reform health care, the experience of which was presented in the seminar:
 1. Restructuring of the bed fund of the hospitals
 2. Introduction of the family medicine:
 - a) ambulatory
 - b) departments in the polyclinics
 - c) polyclinics
 3. Economical reforms:
 - a) differential payment
 - b) decentralization of the budget
 - c) management of expenditures and revenues from paid medical services

4. Participants reported that the following reforms already have been proposed in the region:
 1. Restructuring of the bed fund in the hospitals: 57 percent responded “yes,” 16 percent said “no,” 27 percent did not know;
 2. Introduction of the family medicine:
 - a) the ambulatories: 12 percent responded “yes,”
No other responses were received.
 3. The economic reforms:
 - a) only 5 percent reported that differentiated payment system exists; 86 percent reported it is not used;
 - b) Only 20 percent reported that their treatment and preventive facilities are engaged in the process of budget decentralizing.
 - c) 73 percent of the respondents endorsed the availability of paid services in their medical facilities.
5. The participants of the seminar did not report any other reforms with which they already have experience.
6. All respondents considered seminars of great importance and requested additional seminars.
7. Seminar organization earned the maximal mark: 5.
8. Participants recommended that future seminars include the following:

Recommendations	Number of responses
1 Coordination of reforms with oblast health department	1
2 Reform of rural health care	3
3 Health care system reform in less-developed countries	1
4 Distribution of relevant printed materials	1
5 Presentations by hospital administrators whose experiences with reform is discussed.	1
6 Status of the local health care system, including specific examples from that region.	5
7 Practical application of theoretical recommendations.	3
Total	15

6.0 CONCLUSIONS

1. The Komsomolsk seminar on problems of health care system reform is considered a great event in the process of development of *ZdravReform* Program technical assistance because it was the first such seminar not financed by the USAID program. It demonstrated that health care reform initiatives can be more significant at the local level—that is, rayon and municipal levels—than at the oblast level, and they can be made without support from “above.”

2. Participants seminar were greatly interested in the presentations and the problems of health care system reform (both internationally and in Ukraine) they discussed.
3. A seminar organized jointly by American and Ukrainian consultants has the advantages of:
 - a. demonstrating the expertise of Ukrainian consultants, who have got the experience while working with the American specialists;
 - b. giving Ukrainian experts experience to organize future seminars by themselves.
 - c. dispelling prejudices of those participants who consider foreign consultants to lack knowledge about specifics of the status of health care in Ukraine.
4. Earlier participation in *ZdravReform* activities (regional conference, training trips, informational materials) provided to the reformers of Komsomolsk the impetus and confidence to organize their own seminar. Learning about the experience of the health care system in other regions gives them more confidence in implementing their own reforms.
5. Based on participant evaluations, it is possible to conclude that the seminar was extremely relevant and important for health care system reform in the region.

7.0 RECOMMENDATIONS

1. To use one-day seminars as one approach for delivery of *ZdravReform* technical assistance.
2. In accordance with participant responses, to coordinate this activity (exchange of information, creation of the working groups for solution of specific problems) with the Ministry of Health.
3. To disseminate the positive experience of the common American and Ukrainian seminars.
4. Again in response to participant requests, to include in future seminars more Ukrainian health care experts whose experience with reform provides specific examples for reform roll-out. It is important to learn about health care in various Ukrainian regions and use this information as examples.

APPENDIX 1

ZdravReform information materials distributed to Komsomolsk seminar participants:

1. *Rating of Outpatient Polyclinic and Inpatient Care.* AlexanderTelyukov TR-20.
2. *Self-financing and Cost Recovery in Odessa, Ukraine.* Abdo Yazbeck, Tim Metarko. TR-17.
3. *Organizational Restructuring and Rationalization of a Rayon or District Health Delivery System: How to Close Hospital Beds while Improving Access to Care.* George Purvis, John Stevens. ZRP-Pr.-I.D.
4. *Successful Integration of Medical Insurance, Private Practice, and Family Medicine in Dneprodzerzhinsk, Ukraine.* Marc Stone. ZRP-Pr.-II.A.
5. *L'viv Intensive Demonstration Site: A Tool Kit for Implementing User Fees and Decentralized Management Accounting Systems in City Hospital #1.* Annemarie Wouters. TR-13.
6. West NIS Monthly Update, March 1997.
7. *Vital Signs*, ZdravReform Program newsletter..

APPENDIX 2

Seminar Agenda:

10.00-10.20	Opening remarks	O.P. Popov, Mayor of Komsomolsk, James Owens, ZdravReform/Ukraine Country Director
10.30-11.00	Principal ZdravReform technical assistance tasks in Ukraine.	James Owens
11.00-11.30	Additional source of financing, paid services.	Zhanna Parhomenko, ZdravReform/Kiev technical advisor
11.30-12.30	Experiences in reform of primary health care financing. Economic basis for improvement of the quality health care delivery. Foreign and national experience.	James Owens, Zhanna Parhomenko
12.30-13.00	Discussion	
13.00-14.00	Lunch	
14.00-15.00	Decentralization of health care management. New approaches in redistribution of the financial resources	James Owens
15.00-15.30	Discussion	
15.30-16.00	Change in attitude of health care administrators to reform.	James Owens, Zhanna Parhomenko
16.00-16.15	Discussion	
16.15-16.30	Closing remarks	Mayor Popov O.M.Tretjakov, Director of Komsomolsk Investment Programs, James Owens

APPENDIX 3

Coverage of seminar in local newspaper:

APPENDIX 4

Seminar participants:

#	Name	Position
1	Icheikin E.V.	The head of town health care department
2	Zaets V.K.	The internist of the town health care department
3	Kyroedov L.F.	The chief physician of the town hospital # 4
4	Bykova V.F.	The chief physician deputy of the town hospital # 4
5	Babenko Z.P.	The chief bookkeeper of the town hospital # 4
6	Serdjuk L.V.	The head of economical department
7	Pilipenko O.S.	The head deputy of oblast health committee
8	Gryrod L.I.	The consultant in medical issues, from Kremenchug
9	Andrjushkina I.I.	The chief economist
10	Zinovjeva V.V.	The head economist/chief physician of blood transfusion station (BTS)
11	Surmilenko I.V.	The chief economist of BTS
12	Buduleva A.E.	The chief of the medical and sanitation department of hospital #3 (MSD)
13	Chernjahovsky C.I.	The chief physician of MSD
14	Bonchyk I.I.	The chief physician of central town hospital (CTH)
15	Shpiro T.M.	The chief bookkeeper of CTH
16	Tserbiy S.O.	The economist of CTH
17	Bordyg V.D.	The chief physician of the maternity house
18	Dubnitsky I.Ja.	The chief physician of the urgent help station
19	Serdjuk P.P.	The chief physician of central town hospital (CTH)
20	Klychko O.O.	The chief physician deputy in economical matters
21	Girnjak E.Ja.	The chief physician of central town hospital
22	Homenko O.M.	The chief physician deputy of central town hospital
23	Melnik M.E.	The chief physician of central town hospital
24	Vakylenko P.O.	The head of town financial department
25	Makarenko V.I.	The chief physician of central town hospital
26	Jarosh O.I.	The chief physician deputy of central town hospital
27	Tsuman M.P.	The chief physician deputy of central town hospital
28	Makarenko L.I.	The chief physician deputy of central town hospital
29	Tutka N.Ja.	The chief physician deputy of central town hospital, the economist
30	Slipets I.S.	The chief deputy of local agricultural department
31	Bandura N.D.	chief physician deputy, the town of Chutovo
32	Korzanova V.M.	The chief physician deputy in economical questions
33	Ivahnenko N.M.	The head of organization and methodological department
34	Bratanov V.B.	The chief physician of town hospital # 2
35	Karpenko V.M.	The chief of the department of town hospital # 2

36	Vasylchenko S.	The chief deputy of the town health department
37	Tolkachova A.G.	The chief physician of town hospital # 1
38	Kikot U.G.	The chief physician of town hospital # 9
39	Ivanets V.M.	The chief physician of town hospital # 5
40	Zadoja S.B.	The chief physician of town hospital # 3
41	Kovpak A.V.	The head of the polyclinic
42	Episheva K.F.	The chief physician deputy of stomatological polyclinic
43	Hodov S.M.	The chief physician of central town hospital
44	Kovenko I.V.	The chief physician deputy of central town hospital
45	But L.	The chief physician of the urgent help station
46	Kyrychenko L.I.	The chief physician of MSD
47	Frydman B.L.	The head of polyclinic
48	Panchenko N.O.	The chief nurse of the polyclinic
49	Sokolova V.S.	The head economist of CTH
50	Polechuk N.V.	The economist of CTH
51	Slavnaja L.M.	The head of TSD
52	Redin I.V.	The oculist in CTH
53	Shkyrko V.O.	The chief physician of stomatological polyclinic
54	Dybina M.I.	The chief physician deputy of central town hospital
55	Nadytuy K.O.	The head of cardiological department
56	Golyk O.M.	The chief bookkeeper of CTH
57	Jurjeva O.O.	The chief deputy of the disabled association
58	Kovpak V.V.	The chief physician deputy of the town hospital
59	Negriy O.F.	The director of rehabilitation center "Kalyna"
60	Stolberova L.V.	The chief of the community department of sanitation and epidemiological station
61	Goncharova N.P.	The chief of the epidemiological department of sanitation and epidemiological station
62	Ivkina L.G.	Ore mining and processing enterprise
63	Vasylenko P.P.	The director deputy of JS-C
64	Tretjakov O.M.	The chief of the investment programs department

APPENDIX 5

Seminar Evaluation Questionnaire

1. On a 5-point scale, rate the importance and necessity of such seminar.

		1	2	3	4	5

(minimum) 1, 2, 3, 4, 5 (maximum)

2. On a 5-point scale, rate the importance and applicability to your work of information you received from seminar presentations.

3. Do you consider health reform activities presented at the conference relevant:

- | | | | |
|------------------------------------|-----|----|------------|
| 1. Bed capacity restructuring | yes | no | don't know |
| 2. Family medicine implementation: | | | |
| (a) ambulatories | yes | no | don't know |
| (b) departments in polyclinics | yes | no | don't know |
| (c) polyclinics | yes | no | don't know |
| 3. Economic reforms: | | | |
| (a) differential payments | yes | no | don't know |
| (b) decentralization of the budget | yes | no | don't know |
| (c) cost management and user fees | yes | no | don't know |

4. Indicate health reforms which are already implemented in your region.

- | | | | |
|------------------------------------|-----|----|------------|
| 1. Bed capacity restructuring | yes | no | don't know |
| 2. Family medicine implementation: | | | |
| (a) ambulatories | yes | no | don't know |
| (b) departments in polyclinics | yes | no | don't know |
| (c) polyclinics | yes | no | don't know |
| 3. Economic reforms: | | | |
| (a) differential payments | yes | no | don't know |
| (b) decentralization of the budget | yes | no | don't know |
| (c) cost management and user fees | yes | no | don't know |

5. Indicate other health reforms which have already been realized in your region.

6. Do you think it necessary to hold similar seminars in future?

7. On a 5-point scale, evaluate the level of organization of this seminar.

8. What do you think should be considered in preparing similar seminars in future?